

AMENDMENT NO. 1 TO TOLLING AGREEMENT

This Amendment No. 1 (the "Amendment") to Tolling Agreement is entered into by and between the County of San Bernardino (the "County") and the City of Redlands (the "City") with respect to the following facts:

1. On March 12, 2009, the County and City entered into a Tolling Agreement (the "Agreement") to preserve their respective rights concerning the Administrative Fees Dispute pending litigation of the same or similar issues in other jurisdiction(s) and to avoid duplicative and potentially wasteful litigation that will likely be resolved in other litigation.

2. The Agreement provided for a tolling and extension of the applicable statute of limitations until the earlier of (a) three years from the date of the Agreement or (b) a final judgment or opinion by a California court of competent jurisdiction adjudicating the Administrative Fees Dispute between the County of Los Angeles and any city therein, or between any other California county and cities.

3. At the present time, the Administrative Fees Dispute between Los Angeles County and its cities is still in litigation, and the three-year term limit of the Agreement expires in March, 2012. The City and County desire to extend the maximum term of the Agreement by an additional three years.

THEREFORE, the City and County hereby agree as follows:

1. Paragraph 1 of the Agreement is restated to read as follows:

"The statute of limitations or any other time within which the City may file a claim pursuant to the Tort Claims Act or any applicable claims statute or County ordinance, and the statute of limitations or other time within which the City may file litigation against the County challenging the County's calculation of the property tax administration fee for fiscal years 2006/2007 and later arising out of the Administrative Fees Dispute shall be, and hereby is, tolled and extended until the earlier of (a) six years from the date of this Tolling Agreement or (b) a final judgment or opinion by a California court of competent jurisdiction adjudicating the Administrative Fees Dispute between the County of Los Angeles and any city therein, or between any other California county and cities."

2. All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the duly-authorized representatives of the parties have executed this Amendment No. 1 To Tolling Agreement on the dates set forth below.

DATE: 2/7/12

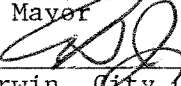
COUNTY OF SAN BERNARDINO



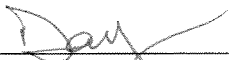
DATE: February, 7, 2012

CITY OF REDLANDS


Pete Aguilar, Mayor

ATTEST: 
Sam Irwin, City Clerk

APPROVED AS TO FORM:


City Attorney
City of Redlands

APPROVED AS TO FORM:


County Counsel